

CONNECTICUT ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Connecticut is the proud home of five Clean Cities:

New Haven
New London
Norwalk

Norwich
Waterbury

Overview

Connecticut has a number of tax incentives to encourage the use of alternative fuel vehicles (AFVs). Corporations in Connecticut are eligible for tax credits for 50% of conversion costs of vehicles to compressed natural gas (CNG), liquefied petroleum gas (LPG), liquefied natural gas (LNG), or electricity, or for construction costs of AFV filling stations. A 10% tax credit is available for the incremental cost of a new vehicle powered by natural gas or electricity. In addition, CNG, LPG, and LNG are exempt from the motor fuels tax. Several Connecticut utilities are actively supporting the use of AFVs, and several of the natural gas utilities will offer cash or other incentives for vehicle purchases or conversions on a project-specific basis.

Highlights

- \$ 50% tax credit for conversion costs for fleet vehicles
- \$ 10% tax credit for natural gas fueling equipment or the incremental cost of a new vehicle powered by natural gas or electricity

State Incentives

- \$ Corporations are eligible for a tax credit equal to 50% of the total amount spent for the conversion of fleet vehicles to CNG, LPG, LNG, or electricity.
- \$ Connecticut offers a 10% tax credit under the corporation business tax for natural gas fueling equipment, conversion equipment, or the incremental cost of a new vehicle powered by natural gas or electricity for income years and sales prior to January 1, 1998.

A corporate tax credit is also available for 50% of the construction costs for filling stations or improvements to existing filling stations in order to provide CNG, LPG, or LNG. These incentives expire December 31, 1998. For more information about Connecticut AFV tax incentives, contact Monroe Webster at (203) 574-6712.

Utilities/Private Incentives

Connecticut Natural Gas will assist fleet operators with natural gas vehicle (NGV) purchases, conversions, and refueling station construction. Funding decisions are made on a project-specific basis. Please address any inquiries to Peter Casarella at (203) 727-3264.

Southern Connecticut Gas Co. provides incentives and engineering assistance for station construction and/or vehicle conversions on a case-by-case basis. Contact Joe Crocco, Manager, Market Development, at (203) 795-7616 for additional information.

Yankee Gas Service Company will help customers convert their fleets to run on natural gas. Yankee Gas offers financial incentives on a case-by-case basis, and requests should be made before the General Fund expires in December 1995. Contact Steve Persutti at (203) 639-4000 for additional information. Yankee Gas, with Shell Oil Company, has opened a public CNG refueling station. For more information, contact Norman VanCor at (203) 639-4406.

CONNECTICUT ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Laws & Regulations

The incremental cost of new vehicles using clean fuels, conversion equipment, and AFV refueling infrastructure are exempt from the state's sales and use tax.

Natural gas and electricity may be given a price preference of up to 10% by the state when purchasing vehicles, according to Public Act 92-188.

Public Act 93-199 authorizes the Connecticut Development Authority to provide up to \$200,000 per year in loans or lines of credit from the business environmental clean-up revolving loan fund to businesses which convert motor vehicles to operate on a clean-burning alternative fuel.

Public Act 94-170 requires that any state emission reduction credits program must include all eligible vehicle conversions, even if the conversion took place before the credit program began. Vehicles which are eligible for AFV tax credits will also qualify for mobile emission credits as adopted by the Commissioner of Environmental Protection.

Public Act 94-101 exempts gas companies' income from sales of natural gas as a motor vehicle fuel from their gross income taxable under the utility companies tax.

Connecticut has adopted the California exhaust emissions specifications.

Public Act 92-188 provides a sales tax exemption to businesses or individuals for the purchase of a new electric vehicle (EV) or equipment to convert a vehicle to electricity.

Public Act 93-37 requires the state government to use clean fuel alternatives to gasoline in state owned vehicles. Clean fuel alternatives are those defined by the Federal Clean Air Act Amendments of 1990 (CAAA). This law was enacted to facilitate compliance with the CAAA and the Energy Policy Act of 1992 (EPACT).

The Department of Public Utility Control ruled that utilities can use rate-basing to help develop NGV refueling stations and education programs.

Senate Bill 982 reduces the tax on propane used as a transportation fuel.

Propane is taxed at 18¢/gallon, lower than the 29¢/gallon tax on gasoline.

The state provides a 1¢/gallon excise tax exemption for 10 volume percent ethanol (E10), or methanol blends sold in the state, through January 1, 1997.

Emission tests are not required for AFVs.

Until July 1, 1999, CNG, LPG, and LNG are exempt from the motor fuels tax when sold for use in converted fleets.

CONNECTICUT ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Points of Contact

New Haven Clean Cities Coordinators

Ginna Crosby (860) 561-3636
GLD Associates

Brian McGrath (203) 946-8067
City of New Haven

New London Clean Cities Coordinator

Peter Gillespie (203) 447-5203
City of New London

Norwalk Clean Cities Coordinator

Sheldon Gerarden (203) 866-2521
Greater Norwalk Chamber of Commerce

Norwich Clean Cities Coordinator

Carol Butler (203) 630-1856
CBM Associates

Waterbury Clean Cities Coordinator

Monroe Webster (203) 574-6712
City of Waterbury

Connecticut Natural Gas

Peter Casarella (203) 727-3264

Southern Connecticut Gas Company

Joe Crocco (203) 795-7616

Yankee Gas Services Company

Steve Persutti (203) 639-4000
Norman VanCor (203) 639-4406

Metropolitan Planning Organizations

Central Connecticut Regional Planning Agency

Barbara Hackney (860) 589-7820

Capitol Region Council of Governments

Fran McMahon (203) 522-2217

Southeastern Connecticut Council of Governments

Richard Guggenheim (203) 889-2324

Valley Regional Planning Agency/Valley Council of Governments

Richard Eigen (203) 735-8688

Mid-State Regional Planning Agency

Michael Chong (203) 347-7214

South Central Regional Council of Governments

Herbert Burstein (203) 234-7555

Greater Bridgeport/Valley Metropolitan Planning Organization

Mark Nielson (203) 366-5405

Council of Government of the Central Naugatuck Valley

Peter Dorpalen (203) 757-0535

Housatonic Valley Council of Elected Officials

Dave Hannon (203) 775-6256

Southwestern Regional Planning Agency

Sue Prosi (203) 866-5543

Connecticut State Transportation Contact

Bill Messner (203) 566-4629

Connecticut State Energy Office

Virginia Judson (203) 566-3394

U.S. Department of Energy Regional Support Office

Boston Regional Support Office
David Chamberlain (617) 565-9734
Noel Clay (617) 565-9710

U.S. Department of Transportation Contacts

Federal Highway Administration

Region 1
Alicia Nolan (518) 431-4224
extension 236

Federal Transit Administration

Region 1
Max Vigil (617) 494-2055

General Services Administration

Regional Fleet Manager

Region 1
Brian Smith (212) 264-3930

U.S. Environmental Protection Agency Regional Pollution Prevention Coordinators

Region 1
Abby Swaine (617) 565-4523
Mark Mahoney (617) 565-1155